

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

Aladdin Knowledge Systems, Ltd.,	:	
Plaintiff,	:	
v.	:	CIVIL ACTION NO. 05-149 (GMS)
	:	
Feitian Technologies Co., Ltd., et al.,	:	
	:	
Defendants.	:	
	:	

EXHIBIT H

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

NO. 05-149

ALADDIN KNOWLEDGE SYSTEMS,) DEPOSITION UPON
LTD.,)
) ORAL EXAMINATION
)
 Plaintiffs,) OF
)
 - vs -) WEI LI
)
)
 FEITIAN TECHNOLOGIES CO.,)
 LTD.,)
)
)
 Defendants.)

TRANSCRIPT OF CONTINUATION OF TELEPHONIC
DEPOSITION, taken by and before ELISABETTA L. ANDREINI,
Professional Reporter and Notary Public, at the offices
of KLEHR, HARRISON, HARVEY, BRANZBURG & ELLERS,
Philadelphia, Pennsylvania, on Wednesday, October 25,
2006, commencing at 9:00 p.m.

ERSA COURT REPORTERS
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Philadelphia, Pennsylvania 19103

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2

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Via Telephone

Interpreter # 3, ID # 258201

WEI LI

3

I N D E X

WITNESS	PAGE
WEI LI	
By: Ms. O'Laughlin	6

- - -

E X H I B I T S

NUMBER	DESCRIPTION	PAGE	MARKED

(There were no exhibits marked at this time.)

WEILI

4

1 -- PROCEEDINGS --

2 MS. O'LAUGHLIN: This is a continuation
3 of the jurisdictional discovery deposition of
4 Feitian designee, Wei Li. Now, on the first
5 day of Mr. Li's deposition, which was on
6 August 30, 2006, Mr. Reeves, Feitian objected
7 to any questions during the deposition as to
8 any of Feitian U.S. contacts other than with
9 Delaware and California. Since then
10 documents have been produced by Feitian U.S.
11 distributor RF Ideas, Inc., which does
12 business as Security Tokens, and those
13 documents have been provided to Feitian.
14 Will Feitian allow Aladdin to ask questions
15 concerning its contacts with states other
16 than Delaware and California including
17 Illinois at this deposition?

18 MR. REEVES: No.

19 MS. O'LAUGHLIN: Okay. Aladdin isn't --

20 MR. REEVES: The court order was that
21 Delaware and California, and so for the most
22 part, we're going to do that.

23 MS. O'LAUGHLIN: Mr. Reeves, would you
24 repeat that? There's a bad echo for some

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1 reason. I don't know. It seems to be on
2 your end. Can you hear the echo?

3 MR. REEVES: I hear the echo, so I'll
4 try to go slowly.

5 MS. O'LAUGHLIN: Please.

6 MR. REEVES: We are going to maintain
7 our objections except to the extent that the
8 court has overruled them, which is in
9 California and Delaware.

10 MS. O'LAUGHLIN: Okay. Mr. Reeves, the
11 echo is pretty bad. Do you think that you
12 could hang up and then rejoin the conference,
13 or is there something you can do on your end
14 to make the echo go away?

15 MR. REEVES: All right. Does this help?

16 MS. O'LAUGHLIN: Yes, a little.

17 MR. REEVES: I still hear a lot of echo
18 on my end.

19 MS. O'LAUGHLIN: I do too. I don't know
20 why that's happening.

21 MR. REEVES: I will hang up and
22 immediately call back.

23 (Brief pause.)

24 MR. REEVES: Hello?

WEILI

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1 MS. O'LAUGHLIN: I still hear it, and I
2 just had the interpreter tell Mr. Li that you
3 had gotten off the phone and then rejoined us
4 because of the problem with the phone and
5 there wasn't a problem when I was just
6 talking to Mr. Li. So it is on your end, but
7 we'll try to work through it.

8 MR. REEVES: Okay.

9 MS. O'LAUGHLIN: Okay. Aladdin is not
10 waiving its position that it's entitled to
11 ask about all Feitian U.S. contacts, but I
12 understand your objection.

13 BY MS. O'LAUGHLIN:

14 Q. Mr. Li, I want to remind you that you're
15 still under oath; that you have promised to tell the
16 truth in answering my questions. Do you understand
17 that?

18 A. I understand.

19 Q. What did you do to prepare for today's
20 deposition?

21 A. I understand the situation before.

22 Q. Mr. Li, that does not answer my question. My
23 question is, what did you do to prepare to answer my
24 questions today?

WEI LI

7

1 INTERPRETER # 1: Can I ask him to speak
2 louder?

3 MS. O'LAUGHLIN: Yes.

4 THE WITNESS: I would like to have my
5 associate to review all related material.

6 BY MS. O'LAUGHLIN:

7 Q. Did you, Mr. Li, review any material?

8 A. I roughly review the information, but,
9 however, my English is not very good.

10 Q. Does that mean that you did not understand
11 what you reviewed?

12 A. Someone explain it to me.

13 Q. Who explained it to you?

14 A. Liu Hui.

15 Q. Is that the sales manager who is -- you were
16 in charge of?

17 A. I don't quite understand.

18 Q. Okay. The last time when I asked you
19 questions you told me that you are the vice manager in
20 charge of sales and that Liu Hui reports to you. Is
21 Mr. Liu the same person -- let me ask again.

22 Okay. The last time I asked you questions
23 you told me you are the vice manager in charge of sales
24 and that a man named Liu Hui or Hui Liu reports to you.

WEI LI

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1 Is Mr. Liu the person who reviewed the materials with
2 you to prepare for today's deposition?

3 INTERPRETER # 1: Vice sales?

4 MS. O'LAUGHLIN: Vice manager in charge
5 of sales.

6 INTERPRETER # 1: Hello?

7 Okay.

8 BY MS. O'LAUGHLIN:

9 Q. Okay. Do you remember what materials you
10 reviewed with Mr. Liu?

11 INTERPRETER # 1: I asked him to speak
12 louder.

13 THE WITNESS: I e-mailed to -- okay. I
14 e-mail my document to -- okay.

15 INTERPRETER # 1: Can I ask him?

16 MS. O'LAUGHLIN: Yes.

17 INTERPRETER # 1: So it is not a e-mail.
18 I saw the information before.

19 BY MS. O'LAUGHLIN:

20 Q. Mr. Li, did you review any new material to
21 prepare for the deposition today that you had not
22 reviewed before the first day of the deposition?

23 A. Okay. The related material I already
24 reviewed and I basically understand.

WEI LI

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1 Q. Okay. Mr. Li, I want you to remember to keep
2 your voice loud because you are in your office in
3 Beijing, I am in Philadelphia in my office with the
4 interpreter and the court reporter, and your attorney
5 is in his office in Texas.

6 A. Right.

7 Q. Okay. Right now your voice is okay to us.
8 Okay. Mr. Li, did you ask Mr. Liu to look to see if
9 there were any e-mails from anyone located in Delaware
10 to Feitian?

11 A. I don't understand.

12 MS. O'LAUGHLIN: What did he say?

13 INTERPRETER # 1: Hello?

14 THE WITNESS: I don't understand your
15 Chinese.

16 MS. O'LAUGHLIN: He doesn't understand
17 your Chinese?

18 INTERPRETER # 1: So I translate the one
19 that -- the Chinese in Beijing also is
20 probably somewhat different in expression
21 than what I learn in Southeast Asia.

22 MS. O'LAUGHLIN: Okay. Let us try to
23 ask him if he just -- ask him if he can
24 understand you at all because if not we can

WEI LI

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1 get another.

2 INTERPRETER # 1: Okay. There are two
3 reasons; my accent, my Chinese accent, and my
4 use of term. I don't -- some terms in
5 Chinese I don't understand.

6 MS. O'LAUGHLIN: Okay. Matt?

7 MR. REEVES: Yes.

8 MS. O'LAUGHLIN: I'm going to call and
9 get a new interpreter, so I'm going to ask
10 you to -- both of you to hang up and call
11 back in five minutes, and I'll have someone
12 else on the line. Okay?

13 MR. REEVES: Five?

14 MS. O'LAUGHLIN: Right.

15 MR. REEVES: Okay.

16 MS. O'LAUGHLIN: So could you -- but
17 before we get off, I'm going to ask the
18 interpreter to tell Mr. Li that and --

19 MR. REEVES: I don't know if he'll
20 understand.

21 MS. O'LAUGHLIN: And then to confirm,
22 ask him to confirm that he understands that
23 he is to call the same number in five
24 minutes.

WEI LI

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1 MR. REEVES: Okay. Well, I think five
2 minutes is kind of short. Can we make it
3 ten?

4 MS. O'LAUGHLIN: Okay. We can make it
5 ten.

6 MR. REEVES: Ten minutes, that will be
7 my time 8:30, Texas time.

8 MS. O'LAUGHLIN: That will be 8:30 Texas
9 time and 9:30 Beijing time and 9:30 Eastern
10 Standard time. Okay.

11 MR. REEVES: Ten minutes.

12 MS. O'LAUGHLIN: Ten minutes. So wait a
13 minute before you get off. I want to have
14 the interpreter tell Mr. Li and get him to
15 confirm that he understands.

16 MR. REEVES: All right.

17 INTERPRETER # 1: Okay.

18 MS. O'LAUGHLIN: Does he understand?

19 INTERPRETER # 1: Uh-huh.

20 MS. O'LAUGHLIN: Can you ask him if he
21 understands?

22 INTERPRETER # 1: Okay. Okay. So it's
23 better to find someone that can speak the
24 Chinese without accent and knowledgeable in

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1 commercial terminology.

2 MR. REEVES: Make sure he knows ten
3 minutes, ten minutes call back.4 MS. O'LAUGHLIN: Does he understand that
5 he is to call back in ten minutes? Ask him
6 that.

7 THE WITNESS: I understand.

8 MS. O'LAUGHLIN: Okay. So ten minutes,
9 Matt.

10 MR. REEVES: Okay.

11 MS. O'LAUGHLIN: Bye.

12 (At this time, a brief recess was
13 taken.)14 MS. O'LAUGHLIN: We have a new
15 interpreter.16 INTERPRETER # 2: Let me see if I can
17 communicate.18 MS. O'LAUGHLIN: Would you tell him what
19 I just said? So you're going to just
20 translate what I just said. Just tell him,
21 Mr. Li, we have a new interpreter.

22 Can you understand him?

23 INTERPRETER # 2: Hello?

24 MS. O'LAUGHLIN: Does he understand?

WEI LI

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1 INTERPRETER # 2: Hello?
2 I'm sorry. We cannot communicate that
3 good. We are -- he don't understand me.
4 It's different accents. I'm not
5 communicating. Sorry.

6 MS. O'LAUGHLIN: So he doesn't
7 understand you either?

8 INTERPRETER # 2: No. I'm sorry.

9 MS. O'LAUGHLIN: What is that? What's
10 he saying? He doesn't understand you?

11 INTERPRETER # 2: Yeah, that's correct.
12 Yeah.

13 MS. O'LAUGHLIN: Okay.

14 INTERPRETER # 2: Sorry for the
15 convenience. I thought you need to
16 understand completely.

17 MS. O'LAUGHLIN: I'll try to call back
18 the company and ask the --

19 INTERPRETER # 2: Sorry for convenience.
20 Bye.

21 MS. O'LAUGHLIN: Matt, could you just
22 stay on the line?

23 MR. REEVES: Sure.

24 MS. O'LAUGHLIN: I'm going to try to

WEI LI

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1 patch another one in just a second.

2 (Brief pause.)

3 MS. O'LAUGHLIN: Matt, are you back on?

4 Would you just tell Mr. Li that we're
5 waiting for Mr. Reeves?

6 INTERPRETER # 3: Okay. Mr. Li would
7 like to know why the former interview did not
8 continue.

9 MR. REEVES: Okay. I'm here.

10 MS. O'LAUGHLIN: Great. I just asked
11 the new interpreter -- we now have a third
12 interpreter on the line, and I just asked her
13 to tell Mr. Li that we were waiting for you.

14 MR. REEVES: Okay. Mr. Li is on the
15 line then?

16 MS. O'LAUGHLIN: Yes, because he --

17 MR. REEVES: All right.

18 MS. O'LAUGHLIN: He came on before you
19 came on, but Mr. Li just asked the new
20 interpreter a question.

21 Would you repeat what you said?

22 THE WITNESS: Okay. I would like to
23 know why the former interpreter did not
24 continue to interpret.

WEI LI

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1 MS. O'LAUGHLIN: Because, Mr. Li, you
2 said that you did not understand that
3 interpreter.

4 THE WITNESS: The first interpreter I
5 did say that I did not understand him or her;
6 however, the second one I did not say that I
7 did not understand.

8 MS. O'LAUGHLIN: All right. Mr. Li,
9 that was not my understanding from what the
10 second interpreter told us, but I thank you
11 for your patience. And now we have a third
12 interpreter and are you having -- do you
13 understand when she interprets?

14 THE WITNESS: Okay.

15 MS. O'LAUGHLIN: Yes, you understand?

16 THE WITNESS: Yes, I understand it now.

17 BY MS. O'LAUGHLIN:

18 Q. Great. Mr. Li, do you also understand that
19 you are still under oath; that is that you have
20 promised to tell -- you have sworn and promised to tell
21 the truth in answering my questions today?

22 A. Yes.

23 Q. Mr. Li, did you review any materials to
24 prepare for today's deposition?

WEILI

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1 A. Yes, I did study the materials which I had
2 before.

3 Q. What materials did you study?

4 A. The related documents.

5 Q. Could you identify what you mean by the
6 related documents?

7 INTERPRETER # 3: Excuse me. This is
8 the interpreter. I have to ask the witness
9 to speak louder because I cannot hear him
10 very well.

11 THE WITNESS: The related documents
12 include the faxed materials between the
13 customers or among the customers.

14 MS. O'LAUGHLIN: The faxed materials?

15 INTERPRETER # 3: Excuse me. This is
16 interpreter. I have to ask him --

17 THE WITNESS: Yes, the documents are
18 documents which were faxed, faxed document,
19 F-A-X, document or copied materials.

20 BY MS. O'LAUGHLIN:

21 Q. Okay.

22 A. Or printed documents.

23 Q. Interpreter, I don't understand the answer
24 then.

WEILI

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1 INTERPRETER # 3: Printed documents and
2 the faxed documents.

3 THE WITNESS: We used the printed
4 machine to print the documents.

5 BY MS. O'LAUGHLIN:

6 Q. What documents?

7 A. The records of the customer and the records
8 of the market.

9 Q. And the records of the what?

10 INTERPRETER # 3: Of the market,
11 M-A-R-K-E-T.

12 BY MS. O'LAUGHLIN:

13 Q. Did you find in those records any customers
14 located in Delaware?

15 A. No.

16 Q. Did you find in those records any customers
17 located in California?

18 A. Yes.

19 Q. Okay. What customers are located in
20 California?

21 A. I have given the information to my lawyer.

22 Q. Okay. Did you give your lawyer all the
23 information that you found about customers located in
24 California?

WEI LI

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1 A. Yes.

2 Q. Do you have those records that you gave your
3 attorney in front of you?

4 A. No.

5 Q. Can you get them?

6 A. Yes.

7 Q. Okay. Could you get them and have them in
8 front of you, because I'm going to ask you questions
9 about them?

10 A. Yes.

11 Q. Okay. How long will that take?

12 A. About five minutes.

13 Q. Okay. We will all hold.

14 A. Okay.

15 (Brief pause.)

16 BY MS. O'LAUGHLIN:

17 Q. Mr. Li?

18 A. Hi.

19 Q. Okay. If you could look -- you have the
20 documents in front of you now?

21 A. Yes.

22 Q. Okay. If you would, look at the Performa
23 invoice that's dated April 13, 2003, showing the
24 exporters Feitian Technology Company, Limited and sold

WEILI

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1 to Susteen, Inc. Do you see that?

2 INTERPRETER # 3: Would you please
3 repeat the corporations' names? The date was
4 April 13, 2003 of which?

5 MS. O'LAUGHLIN: 2005. 2005.

6 INTERPRETER # 3: 2005. Of which
7 corporation, please?

8 MS. O'LAUGHLIN: Susteen, S-U-S-T-E-E-N,
9 Inc.

10 INTERPRETER # 3: S-U-S-T-E-E-N.

11 Susteen.

12 MS. O'LAUGHLIN: Susteen, Inc., just
13 incorporated.

14 INTERPRETER # 3: Okay.

15 MS. O'LAUGHLIN: Interpreter, let me
16 just ask it again and maybe it will be
17 easier.

18 INTERPRETER # 3: Okay.

19 BY MS. O'LAUGHLIN:

20 Q. Do you have in front of you the Performa
21 invoice dated April 13, 2005 showing a sale to Susteen?

22 A. Yes.

23 Q. Okay. And for the record, this document was
24 Bates stamped FT 00052. Do you know if --

WEILI

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1 A. What is that, 00052?

2 Q. I was just -- you didn't need to interpret
3 that, but let me --

4 INTERPRETER # 3: I didn't know that.

5 BY MS. O'LAUGHLIN:

6 Q. But now that he asked, let me explain that
7 you can tell Mr. Li that when Feitian, when his
8 attorney produced this document, all these documents,
9 they put numbers at the bottom to identify them.

10 INTERPRETER # 3: I see.

11 MS. O'LAUGHLIN: So I was just
12 identifying the document for the record.

13 INTERPRETER # 3: Okay.

14 MS. O'LAUGHLIN: In the lawsuit.

15 INTERPRETER # 3: Okay.

16 MS. O'LAUGHLIN: So you can explain that
17 to him.

18 INTERPRETER # 3: Okay. I understand.

19 BY MS. O'LAUGHLIN:

20 Q. Okay. Mr. Li, where did you find this
21 document?

22 A. At home.

23 Q. Okay. At your home?

24 A. No, in my office, in office.

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1 Q. Okay. Do you know, were there any other
2 documents concerning any sales to Susteen other than
3 this document?

4 INTERPRETER # 3: I have to ask him to
5 speak louder.

6 THE WITNESS: No, I did not find
7 anymore.

8 BY MS. O'LAUGHLIN:

9 Q. Okay. Did you look for any other documents
10 about Susteen?

11 A. I did look for it; however, I did not find
12 any.

13 Q. Did you look to see if -- did you look to see
14 if there were any e-mails from or to Susteen?

15 A. I also looked for it, but I did not find any.

16 Q. Okay. Where did you look?

17 A. In the computer of Liu Hui.

18 Q. Of who?

19 A. Of Liu Hui.

20 Q. Okay. That is your sales manager?

21 A. Yes.

22 Q. Okay. Did you look in anyone else's? Did
23 you look anywhere else for any documents concerning
24 sales to Delaware or California other than in Mr. Liu's

WEILI

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1 computer?

2 INTERPRETER # 3: I have to ask him to
3 repeat. The voice is still not loud enough.

4 THE WITNESS: Yes, I look for it in all
5 the files, but I did not find any.

6 BY MS. O'LAUGHLIN:

7 Q. Okay. When you say you looked in all the
8 files, please describe what files you looked in?

9 A. Meaning the folders to put the documents in.

10 Q. What folders?

11 A. It is the folders which related to customers'
12 information.

13 Q. That customer information, how many years
14 does it cover?

15 A. Only important information which I think I
16 need to keep. All the information is in the folder.

17 Q. Did you look through all of Feitian's sales
18 records from October 1999 until the present for the
19 information about communications or sales to Delaware
20 or -- from Delaware or California?

21 INTERPRETER # 3: Can you mention the
22 states again and the corporation name?

23 BY MS. O'LAUGHLIN:

24 Q. Yes. The last time we spoke you said that

WEILI

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1 Feitian only kept records for three months. Did you
2 find records -- was that a mistake? Are you saying now
3 that you looked that Feitian has records going back to
4 October of 1999?

5 A. I think you misunderstood what I meant. Was
6 the information was kept by the person who was in
7 charge and after three month the information was moved
8 to a folder which other people can also have access to.

9 Q. So you are testifying today that you have
10 looked through all of Feitian's business records from
11 October 1999 to the present concerning sales or
12 communications from or to Feitian and Delaware and
13 California and you have produced everything that you
14 found to your attorney; is that correct?

15 A. Yes.

16 Q. Okay. If you would look at -- well, looking
17 back at the Performa invoice to Susteen, is this a
18 document that was created by Feitian?

19 A. Yes.

20 Q. Okay. Does it show that there was -- does
21 this indicate that there was a sale by Feitian to
22 Susteen?

23 A. Yes.

24 Q. Okay. And what was sold was 500 pieces of

WEI LI

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1 Rocky 100 for a total price of 7,500 United States
2 dollars?

3 INTERPRETER # 3: Excuse me. 7,500 how
4 much?

5 MS. O'LAUGHLIN: United States dollar.

6 INTERPRETER # 3: U.S. dollars?

7 MS. O'LAUGHLIN: Yes.

8 THE WITNESS: Yes.

9 BY MS. O'LAUGHLIN:

10 Q. Okay. And Feitian shipped the product to
11 Susteen in Irvine, California by DHL International?

12 A. That's right.

13 Q. Okay. And that freight charge was 80 U.S.
14 dollars; is that correct?

15 A. Yes.

16 Q. Did Feitian receive \$7,580 for that sale?

17 A. Excuse me. I didn't hear.

18 Yes.

19 Q. And how was that payment made? Do you know?

20 A. It was by wire.

21 Q. And is the wire transfer information the
22 information that's set forth on the bottom of the
23 Performa invoice?

24 INTERPRETER # 3: Excuse me. Would you

WEI LI

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1 please repeat the question?

2 MS. O'LAUGHLIN: Yes.

3 BY MS. O'LAUGHLIN:

4 Q. Is the wire transfer information for Feitian
5 located on this Performa invoice at the bottom?

6 A. Yes.

7 Q. Okay. Does Feitian have any records of
8 monies that it receives from sales to California?

9 A. No, I did not find it. I just made a check,
10 you know, the check does show the money was received.

11 Q. My question is, Mr. Li, does Feitian have
12 records that show specifically revenue that they,
13 Feitian, received from sales in California?

14 A. Are you asking specifically for the sales to
15 California?

16 Q. Yes.

17 A. No.

18 Q. Has Feitian ever done any analysis to see how
19 much revenue Feitian has received because of sales to
20 California?

21 A. No.

22 Q. Okay. Does Feitian keep track of revenues
23 generated because of sales to the United States?

24 A. No.

WEI LI

26

1 Q. If you would look at the purchase order, to
2 purchase order number 12944 to a company called ICRCO.

3 INTERPRETER # 3: Okay. ICRCO?

4 MS. O'LAUGHLIN: Yes.

5 INTERPRETER # 3: And the number is
6 12944.

7 MS. O'LAUGHLIN: Yes, the purchase --
8 the document is entitled purchase order.

9 It's number 129444, okay, and it's Bates
10 stamped FT 00055.

11 INTERPRETER # 3: Okay. Your question
12 is?

13 BY MS. O'LAUGHLIN:

14 Q. Ask him to look for the purchase order number
15 12944 to ICRCO.

16 A. Yes.

17 Q. You have that in front of you?

18 A. Yes.

19 Q. Okay. And is this a purchase order that was
20 created by Feitian?

21 A. The specific order number 12944 was not
22 created by Feitian.

23 Q. Okay. Do you know who created it?

24 A. It's created by ICR Corporation.

WEILI

27

1 Q. Okay. Is ICRCO a customer of Feitian?

2 A. Yes.

3 Q. Okay. Do you know how long it's been a
4 customer of Feitian?

5 A. I think it's begin earlier this year,
6 beginning of this year.

7 Q. Okay. Well, the top of this purchase order
8 the date is 1/24/2006, so January 24, 2006, do you know
9 if this was the first -- do you know if there were any
10 earlier sales to ICRCO?

11 A. I did not find it.

12 Q. Okay. Did you find any e-mails to or from
13 ICRCO?

14 A. No.

15 Q. Do you know how ICRCO became a customer of
16 Feitian?

17 A. It was transferred from RF Ideas.

18 Q. RF Ideas?

19 INTERPRETER # 3: Excuse me.

20 MS. O'LAUGHLIN: RF Ideas.

21 BY MS. O'LAUGHLIN:

22 Q. And RF Ideas was Feitian's distributor in the
23 United States?

24 INTERPRETER # 3: Excuse. Your question

WEILI

28

1 is RF Ideas is?

2 BY MS. O'LAUGHLIN:

3 Q. Was RF Ideas Feitian's distributor for
4 Feitian's products in the United States?

5 A. It originally was.

6 Q. Okay. And at this time, at the time of this
7 purchase order, it was no longer your distributor; is
8 that correct?

9 A. That's right.

10 Q. Do you know when RF Ideas was your
11 distributor whether ICRCO was a customer of Feitian?

12 INTERPRETER # 3: Would you please
13 repeat the question?

14 MR. REEVES: Would you wait just one
15 minute while I get this vacuum cleaner turned
16 off.

17 MS. O'LAUGHLIN: Sure.

18 INTERPRETER # 3: Mr. Li wants to know
19 what his lawyer said; however -- this is the
20 interpreter -- I did not hear very well what
21 the lawyer said.

22 MR. REEVES: Doesn't matter. I'm back.

23 BY MS. O'LAUGHLIN:

24 Q. I believe my last question was, how do you

WEI LI

29

1 know whether ICRCO was a customer that came from RF
2 Ideas?

3 A. I was told by Liu Hui. Liu Hui told me.

4 Q. Did Mr. Liu tell you whether there had been
5 other sales, prior sales, to ICRCO by Feitian?

6 A. All the information he found was this much.

7 Q. Did you ask Mr. Liu how he knew that ICRCO
8 came from -- was a customer that came to Feitian
9 through RF Ideas?

10 A. Yes, I ask.

11 Q. And what did he say?

12 A. He said yes.

13 Q. Does Feitian have records of all of the
14 customers that came to RF -- came to Feitian through RF
15 Ideas?

16 A. Yes.

17 Q. Did you look through those records?

18 A. Yes.

19 Q. And did you look through those records for
20 any sales of Feitian products made by RF Ideas to
21 California?

22 A. Yes, I looked.

23 Q. What kind of records does Feitian keep about
24 sales made through RF Ideas?

WEI LI

30

1 A. Invoice.

2 Q. Any others, kinds of records?

3 A. There are e-mails.

4 Q. Okay. Did you produce all of the records
5 that you have concerning sales by RF Ideas in
6 California or e-mails from RF Ideas to California to
7 your attorney?

8 INTERPRETER # 3: Would you please
9 repeat this question, please?

10 MS. O'LAUGHLIN: Sure.

11 MR. REEVES: I would object to the
12 extent that that seeks information beyond
13 Feitian contacts with Delaware or California
14 and begin to inquire into RF Ideas with
15 Delaware or California.

16 INTERPRETER # 3: I didn't hear very
17 well what the attorney said.

18 MS. O'LAUGHLIN: He was just making an
19 objection. Matt, do you want that
20 interpreted?

21 MR. REEVES: I would like that
22 interpreted. I'm objecting to the question
23 to the extent that it goes beyond Feitian's
24 contacts with California or Delaware and

WEILI

31

1 seeks information pertaining to RF Ideas'
2 contacts with California or Delaware or
3 Feitian's contacts with RF Ideas, which did
4 not occur in either Delaware or California.

5 THE WITNESS: Okay. I understand.

6 BY MS. O'LAUGHLIN:

7 Q. Well, Mr. Li, could you answer the question,
8 please?

9 A. I don't want to answer.

10 MS. O'LAUGHLIN: Mr. Reeves, are you
11 taking the position that if RF Ideas had a
12 communication with a customer in California
13 on behalf of Feitian trying to sell Feitian
14 products or offering Feitian products for
15 sale to the customer in California that that
16 communication between RF Ideas and that
17 California customer which was then copied to
18 Feitian is beyond the scope of the
19 jurisdictional discovery ordered by the
20 Court?

21 MR. REEVES: Yes, I am saying that.
22 Feitian had contacts with its distributor RF
23 Ideas and if RF Ideas in turn sold those to
24 other places in the country, then that is not

WEI LI

32

1 a contact between Feitian and any of those
2 other places. In other words, RF Ideas
3 cannot make vicariously a contact between
4 Feitian and somebody that's not communicated
5 with --

6 MS. O'LAUGHLIN: Someone who did not
7 communicate with Feitian.

8 MR. REEVES: That Feitian did not
9 communicate with. In other words, there's no
10 vicarious personal jurisdiction.

11 MS. O'LAUGHLIN: So if Feitian -- if RF
12 Ideas -- so RF Ideas was Feitian's U.S.
13 distributor and RF Ideas on behalf of Feitian
14 makes a sale to a customer in California,
15 your contention is that that does not have
16 anything to do with whether or not the
17 Court -- a Court in California would have
18 jurisdiction over Feitian?

19 MR. REEVES: Well, first off, I disagree
20 with the premise of your question that RF
21 Ideas was acting on behalf of Feitian. RF
22 Ideas was not necessarily an agent for
23 Feitian. Feitian simply sold the products to
24 RF Ideas and then RF Ideas resold those

WEILI

33

1 products. That's not acting on behalf of
2 Feitian. Feitian was not actively trying to
3 do business in those other jurisdictions.
4 They were simply selling it. But I disagree
5 with the premises of your questions to the
6 extent you're saying that Feitian makes a
7 sale to RF Ideas in Illinois and RF Ideas did
8 make that sale to, let's say, Texas.

9 MS. O'LAUGHLIN: Well, let's say
10 California.

11 MR. REEVES: Then it is subject to
12 personal jurisdiction in Texas. My answer is
13 no.

14 BY MS. O'LAUGHLIN:

15 Q. Okay. Mr. Li, RF Ideas was the distributor
16 for Feitian in the United States, correct?

17 A. It originally was.

18 Q. Do you know what or from -- for what period
19 of time it was the distributor?

20 A. From 2003 to 2005.

21 Q. Okay. And during that period of time RF
22 Ideas sales territory was the whole United States; is
23 that correct?

24 MR. REEVES: I'm going to object to this

WEILI

34

1 line of questioning that involves contacts
2 between Feitian and RF Ideas. You already
3 know that Feitian had RF Ideas distributor.
4 There's no secret about that, but the
5 communication between contacts between
6 Feitian and RF Ideas which occurred in
7 Illinois is beyond the scope of discovery
8 permitted by the Court.

9 Now, if you want to talk about contacts
10 between Feitian and somebody in California,
11 that's permissible. You can ask him all the
12 questions you want. If you want to ask about
13 contacts with Feitian and anybody in
14 Delaware, that's fine too. But if you want
15 to start going into detail about Feitian's
16 relationship with RF Ideas in context that
17 may have occurred in Illinois, then that's
18 beyond the scope of the discovery order
19 permitted by the Court.

20 MS. O'LAUGHLIN: So you're not going to
21 let him answer questions about that.

22 MR. REEVES: I'm not going to instruct
23 him not to. I'm simply saying that I'm
24 objecting. It's beyond the scope and they

WEILI

35

1 can answer your questions if they choose to.

2 BY MS. O'LAUGHLIN:

3 Q. Mr. Li, when RF Ideas was Feitian's
4 distributor, it could make sales of Feitian products in
5 California; is that correct?

6 MR. REEVES: And I repeat my same
7 objection.

8 THE WITNESS: Please do not ask me too
9 many questions about the relationship between
10 Feitian and RF Ideas. That's beyond the
11 scope.

12 BY MS. O'LAUGHLIN:

13 Q. Mr. Li, that's an interesting answer since
14 the interpreter did not translate Mr. Reeves's
15 objection. Will you answer my question as to whether
16 or not when RF Ideas was Feitian's distributor in the
17 United States it could make sales of Feitian products
18 to California?

19 A. Yes.

20 Q. And during the period of time that RF Ideas
21 was Feitian's distributor in the United States, could
22 Feitian -- could RF Ideas make sales of Feitian
23 products in Delaware?

24 A. Yes.

WEI LI

36

1 Q. During the period of time that RF Ideas was
2 the distributor for Feitian, did Feitian pass any leads
3 to RF Ideas concerning possible customers in
4 California?

5 A. No, we do not. I did not find any records
6 relating to this.

7 Q. Well, you testified earlier that Mr. Liu told
8 you that ICRCO came to Feitian through RF Ideas. Do
9 you know how RF Ideas -- was that a lead that was
10 passed to RF Ideas?

11 INTERPRETER # 3: I didn't understand
12 the second part you said.

13 BY MS. O'LAUGHLIN:

14 Q. Okay. Let me ask this way. Did Mr. Liu tell
15 you where he got the information from that ICRCO came
16 to Feitian from RF Ideas?

17 A. ICR Company told Mr. Liu about this.

18 Q. When did they tell Mr. Liu about this?

19 A. I did not hear very well.

20 I'm not certain the exact time, the exact
21 date.

22 Q. If you would look at the invoice that's dated
23 January 26, 2006 showing a sale to ICRCO -- do you have
24 that in front of you?

WEILI

37

1 A. Yes.

2 Q. Okay. And for the record, that's Bates
3 stamped FT 00056. Mr. Li, is this the invoice that was
4 generated by Feitian concerning the purchase order
5 number 12944?

6 A. You are talking about the invoice now, not
7 the purchase order, right?

8 Q. Yes.

9 A. Yes, the invoice was created by Feitian.

10 Q. If you would look at the -- there is another
11 purchase order and another invoice to ICRCO. The
12 purchase number is 13187, and the invoice has that same
13 PO number on it. Do you see those documents? They
14 were Bates stamped FT 00058 and 59.

15 INTERPRETER # 3: Okay. That date is
16 December 27th?

17 MS. O'LAUGHLIN: No.

18 INTERPRETER # 3: I'm sorry. It's
19 121 --

20 MS. O'LAUGHLIN: 13187, purchase order
21 number.

22 BY MS. O'LAUGHLIN:

23 Q. Do you see in front of you purchase order
24 13187 dated May 2, 2006, which has been Bates stamped

1 by your counsel as FT 00058?

2 A. Yes.

3 Q. Okay. And there is another document, an
4 invoice, that's dated June 8, 2006, and the invoice has
5 a PO number 13187. It's been Bates stamped FT 00058.

6 Do you have that in front of you?

7 A. You said February 8th?

8 Q. June 8th.

9 A. June 8th, yes.

10 Q. Okay. So that invoice is for sale to ICRCO
11 relating to ICRCO purchase order number 13187; is that
12 correct?

13 A. Yes.

14 Q. Okay. Then there's another invoice that's
15 dated November -- well, strike that.

16 Are those the only two invoices and purchase
17 orders that you found related to ICRCO?

18 A. Yes.

19 Q. Okay. When RF Ideas was your distributor, if
20 RF Ideas made a sale of Feitian products to California,
21 would RF Ideas tell Feitian that it had made that sale?

22 A. No.

23 Q. Okay. How would RF Ideas make -- would RF
24 Ideas send any purchase orders to Feitian and ask